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SIPDIS

SENSITIVE

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TAGS: [ECIN](#) [EAIR](#) [EAID](#) [EFIN](#) [IT](#) [UNGA](#)

SUBJECT: DEVELOPMENT FINANCE: ITALY SAYS ANY GLOBAL TAX
MUST BE VOLUNTARY

REF: STATE 162146

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1. (SBU) Summary: Italy does not oppose global tax schemes to fund development assistance, provided such programs are voluntary. There are no plans here to impose a surcharge on international airline tickets, and Italy would resist efforts by the EU to imposed such a tax on member states. Italy is supportive, in principle, of the International Finance Facility (IFF), and plans to join a pilot IFF to fund immunization programs. End summary.

2. (SBU) Econoff delivered reftel points to Claudio Spinedi in the Ministry of Foreign Affairs Directorate General for Multilateral Economic and Financial Cooperation. On "global taxes," he characterized the Italian position as "not very far" from the United States in that Italy does not want new external taxes imposed on its citizens. Rather, Italy would only support a tax on international airline tickets or financial transactions that is fully voluntary for individual states. Italy would "not look favorably" on an attempt to require the collection of such taxes in EU states, but has no problem with other states, such as France, placing a surcharge on tickets sold within their borders.

3. (SBU) On air travel taxes, Spinedi agreed with USG arguments that imposing a tax on air travel may be inappropriate, given the hard times faced by the airline industry. (Econoff also spoke with National Civil Aviation Authority (ENAC) International Affairs Director Fabio Marchiandi, who stated the airline ticket surcharge would be unpopular among Italian aviation interests.)

4. (SBU) Italy supports "in principle" the UK-proposed International Finance Facility, Spinedi explained, but does have concerns about the "financial and governance mechanisms" of such a system. Italy is considering participation in a smaller, separate pilot facility to support immunization programs in the developing world. Spinedi agreed that recipient countries may lack the capacity to absorb the larger aid flows effectively, but Italy is supportive of the concept of an IFF.

5. (SBU) Separately, Econoff met with Francesca Manno and Maria Luisa Panzica of the Finance Ministry's International Relations Office. The two expressed some support for the airline ticket surcharge, but acknowledged that implementation could be a challenge. Manno believes that the recent proliferation of international development initiatives spread out among different Italian ministries result in overlap and monitoring problems. Manno expressed her personal opinion that the MFA should oversee all Italian development initiatives to avoid these problems.

SPOGLI

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